

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT

OF

COUNTY AUDITOR

WARRICK COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

07/12/2010

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Lawrence C. Lacer	01-01-07 to 12-31-10
President of the County Council	Gary R. Meyer	01-01-08 to 12-31-10
President of the Board of County Commissioners	Don Williams	01-01-08 to 12-31-10



STATE OF INDIANA
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TO: THE OFFICIALS OF WARRICK COUNTY

We have audited the records of the County Auditor for the period from January 1, 2008 to December 31, 2008, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Warrick County for the year 2008.

STATE BOARD OF ACCOUNTS

May 17, 2010

COUNTY AUDITOR
WARRICK COUNTY
AUDIT RESULTS AND COMMENTS

OVERPAYMENT COLLECTIONS

In 2007, \$4,760 was overpaid from Tax Sale Surplus. There was no evidence of collection attempts during 2008.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
Park and Recreation	\$ 1,230
County ID Security Protection Fund	5,000
Juvenile Probation	310
Park and Recreation Nonreverting Capital	5,353
Park and Recreation Bond and Interest	4,081
Rainy Day Fund	145,285

A similar comment was in the prior report.

IC 6-1.1-18-4 states in part:

". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN FUND BALANCES

The Health Fund, Courthouse Bond and Interest Fund, Judicial Center Lease Fund, and the County Sheriff Fund were overdrawn at December 31, 2008. A similar comment was in the prior report.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
WARRICK COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

A complete physical inventory of capital assets has not been performed. The County does maintain a record of capital assets, however, the capital asset records do not include buildings and the value listed for land is a lump sum amount with no detailed information for the various parcels, lots, or locations. A similar comment was in several prior reports.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the Capital Assets Ledger Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

ANNUAL REPORT

An annual report for 2008 was not filed until February 10, 2009.

For the audit period IC 5-11-1-4 (a) concerning annual reports, stated in part:

". . . these reports shall be prepared, verified, and filed with the state examiner not later than thirty (30) days after the close of each fiscal year."

REPAYMENTS AND TRANSFERS

In 2005, the following transfers were not authorized by statute or were transferred to the wrong funds:

On July 27, 2005 the Warrick County Council and the Warrick County Board of County Commissioners, in joint session, declared an emergency in the area of health and welfare and transferred \$550,000 from the Cumulative Capital Development Fund to the General Fund to be used to address those issues. However, when an emergency has been declared, the expenditures are to be directly paid out of the Cumulative Capital Development Fund. The County Officials were advised to reimburse the Cumulative Capital Development Fund from the General Fund.

As part of the same meeting and declaration of emergency, funds totaling \$301,567 and \$200,000 were transferred from the Landfill Maintenance and Landfill Closure/Post Closure Funds, respectively, to the General Fund. When the two funds were originally established, the money came from the Landfill Fund to establish a trust fund to ensure the proper closure of the County's landfill. The conditions for the release of the trust fund had been met, allowing for the closing of those funds. However, the County Officials were advised that upon closure of the above funds, the money should have been returned to the originating fund. The County Officials were advised to reimburse the Landfill Fund from the General Fund.

A similar comment was in several prior reports.

COUNTY AUDITOR
WARRICK COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

On May 1, 2008, the Warrick County Council passed Resolution 2008-08 entitled, "Adjustment to Return to the Proper Accounts Previously Transferred Money" which resolves to repay the above transfers in two equal installments as follows:

January 1, 2009	\$225,000.00 from General Fund to Cumulative Capital Development
	\$150,783.50 from General Fund to Landfill Fund
	\$100,000.00 from General Fund to Landfill Fund
January 1, 2010	\$225,000.00 from General Fund to Cumulative Capital Development
	\$150,783.50 from General Fund to Landfill Fund
	\$100,000.00 from General Fund to Landfill Fund

The scheduled repayments were made as required by Resolution 2008-08. However, at December 31, 2008, the repayments were still pending.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

IC 36-9-14.5-8 (c) states:

" . . . Money held in the cumulative capital development fund may be spent for purposes other than the purposes stated in section 2 of this chapter, if the purpose is to protect the public health, welfare, or safety in an emergency situation that demands immediate action or to contribute to an authority established under IC 36-7-23. Money may be spent under the authority of this subsection only after the county executive: (1) issues a declaration that the public health, welfare, or safety is in immediate danger that requires the expenditure of the money in the fund; or (2) certifies in the minutes of the county executive that the money is contributed to the authority for capital development purposes."

COUNTY AUDITOR
WARRICK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2010, with Lawrence C. Lacer, Auditor; Gary R. Meyer, President of the County Council, and Krystal Powless, County Council Administrator. The officials concurred with our audit findings.

The contents of this report were discussed on May 17, 2010, with Don Williams, President of the Board of County Commissioners.